



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of : August 9, 2003  
Nimrod Megiddo : Group Art Unit: 3629  
Serial No.: 09/533,325 : Examiner: Naresh Vig  
Filed: March 22, 2000 : San Jose, California  
Confirmation No.: 7964

*Antonia Frenco*  
*#16/appeal*  
*Brief*  
*9-5-03*

Title: SYSTEM, METHOD AND PROGRAM PRODUCT FOR  
AUTOMATICALLY MANAGING CONTRACTS

APPEAL BRIEF

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313

Sir:

This appeal brief is submitted under 35 U.S.C. 134, further to Appellant's  
Notice of Appeal filed on June 9, 2003.

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U.S. Ser. No. 09/533,325

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**(1) Real Party in Interest**

**The real party in interest is IBM Corporation.**

**(2) Related Appeals/Interferences**

**No other appeals or interferences relating to this application or appeal exist.**

**(3) Status of Claims**

**Claims 1, 4, 9-10, 12-13, 15-16, 21-22 are pending and are appealed herein.**

**(4) Status of Amendments**

**All amendments have been entered.**

**(5) Summary of Invention**

**Briefly, as set forth in the specification, e.g., in Claim 1, and on page 3 lines 5 to 18, the present invention is a system, method, and program product for managing contingency agreements or contracts. An agreement is entered into the system, conditions for the agreement are logged, and potential responses to satisfy each condition are identified. A location may be identified for each identified potential response, e.g. a HTML link to an internet web site. Milestones can be set to determine when to check whether conditions have been satisfied. The invention retrieves information from the locations and checks on contract conditions, to see if all of the conditions have been satisfied, or if the agreement has failed because one condition will not be satisfied. The contracting parties are notified regarding the status of the**

agreement, and reminders may be sent out, for example by electronic mail or by more traditional mail.

**(6) Issues**

- (a) Whether the appealed claims are unpatentable under 35 U.S.C. 103(a) as obvious in view of U.S. Patent No. 6,144,943 (Minder), U.S. Patent No. 6,381,610 (Gundewar), U.S. Patent No. 6,122,633 (Leymann), “Electronic Transactions Are The Future, Says NAR President” (Evans), and a New York Times website (NY Times).**

**(7) Grouping of Claims**

**All appealed claims stand or fall together.**

**(8) Argument**

- (a) Independent claims 1, 12, and 16 are rejected under 35 U.S.C. 103(a), and all relate to automated commerce management and handling of contingency agreements. Claims 1 and 16 differ essentially only in form (method and program product, respectively). Claim 1 teaches the steps of logging agreement conditions, identifying responses indicating satisfaction with agreement conditions, retrieving information related to each condition, determining whether the agreement is determinate, and notifying the contracting parties. Dependent claim 4 covers the further limitation of retrieving condition information from previously identified remotely connected locations. Dependent claims 21 and 22 describe specific examples of the information**

related to each agreement condition. Dependent claims 9 and 10 teach the further limitation of notifying the contracting parties that the contract has failed and cannot be satisfied, or has been satisfied, respectively.

Independent claim 12 is similar to the other independent claims, but also includes the feature of milestones for each potential response satisfying each condition of an agreement. Dependent claims 13 and 15 describe an automatic mailer that notifies the contracting parties when an agreement is determine, e.g. via electronic mail.

Claims 1, 4, 12, 13, 15, and 16 stand rejected as unpatentable over Minder in view of Gundewar and further in view of Evans. Claims 9 and 10 stand rejected as unpatentable over Minder in view of Gundewar and further in view of Evans and Leymann. Claims 21 and 22 stand rejected as unpatentable over Minder in view of Gundewar and further in view of Evans and NY Times.

Minder is essentially a customer satisfaction reporting system, wherein customized input forms capture one contracting party's opinions about various aspects of housekeeping services, and those opinions are then summarized by a computed score. Minder does not automatically manage agreements with contingencies where information regarding the contingencies is acquired from independent sources, as taught and claimed by the present invention. Similarly, Gundewar and Leymann disclose automated project planning and workflow management systems, respectively, to help internal "team members" (in the language of Gundewar) or "subscribers" (in the language of Leymann) plan and manage their projects. These cited prior art references involve direct management of information regarding contingencies by the

**participating workers themselves.**

**In contrast, the specification describes that agreement-specific information is preferably provided independently of the contracting parties by a third party (page 4 lines 13-15). Once the contractual conditions are entered into the system, the contracting parties may go their separate ways (page 5 lines 20-22). Thus, the present invention allows contracting parties to select contingencies in their agreement having some contingent terms depend on events and data that may be independently observed, to manage the contracts automatically (page 6 lines 21-25). In other words, conditions may depend upon independent informational sources (page 7 lines 2-3). Those informational sources are identified and links are provided to the sources (page 6 lines 2-3) for automatic information retrieval. The specification describes numerous specific examples of the kind of data that can be provided by the independent sources. See for example page 6 line 2, page 7 lines 10-12 and line 16, page 8 lines 1-7 and 15-24, and page 9 lines 1-2 for support for claims 21 and 22.**

**Similarly, Evans also involves such direct, manual management of information, versus automatic management of agreements with contingencies where information regarding the contingencies is acquired from independent sources. Evans teaches a secure XML-based internet communication system for real estate transactions wherein a Realtor can monitor other “key players” who may submit “pieces of transaction data at the appropriate times, prompted by the Realtor”. None of the prior art references teaches or suggests automatically retrieving (versus merely accepting submissions of) information needed to deem an agreement to be determinate. The Examiner notes that businesses hire “account managers or program managers” for manual transaction**

management, but this practice does not constitute a valid suggestion to combine the teachings of the prior art to produce the claimed invention.

In contrast, the present invention allows contracting parties to select contingencies in their agreement having some contingent terms depend on events and data that may be independently observed, to manage the contracts automatically (page 6 lines 21-25). In other words, conditions may depend upon independent informational sources that are targeted (and that may optionally have been previously identified and linked-to (page 6 lines 2-3)) for automatic information retrieval. Regarding claims 21 and 22, the NY Times reference is essentially an internet-based equivalent of a newspaper “morgue”, the existence of which per se does not teach, suggest, or motivate combining or modifying the teachings of the prior art to produce the claimed invention, a requirement stated in In re Fine (837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988)).

Insofar as references may be combined to teach or suggest a particular invention, the individual references themselves or corresponding prior art must suggest that they be combined. For example, in In re Sernaker, 217 USPQ 1, 6 (CAFC 1983), the court stated: “[P]rior art references in combination do not make an invention obvious unless something in the prior art references would suggest the advantage to be derived from combining their teachings.” Furthermore, the court in Uniroyal, Inc. v. Rudkin-Wiley Corp., 5 USPQ.2d 1434 (CAFC 1988) stated “[w]here prior-art references require selective combination by the court to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight gleaned from the invention itself...Something in the prior art must suggest the

desirability and thus the obviousness of making the combination.”

In the present application, the reasons given to support the proposed combination are not sufficient to meet the obviousness standard. Applicants assert the Examiner has simply not met the burden of establishing a prima facie case of obviousness. As declared by the Federal Circuit:

In proceedings before the U.S. Patent and Trademark Office, the Examiner bears the burden of establishing a prima facie case of obviousness based upon the prior art. The Examiner can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. In re Fritch, 23 USPQ.2d 1780, 1783 (Fed. Cir. 1992) citing In re Fine, 5 USPQ.2d 1596, 1598 (Fed. Cir. 1988).

The Federal Circuit also went on to state:

The mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification...Here the Examiner relied upon hindsight to arrive at the determination of obviousness. It is impermissible to use the claimed invention as an instruction manual or “template” to piece together the teachings of the prior art so that the claimed invention is rendered obvious. This court has previously stated that one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. Fritch at 1784-85, citing In re

**Gordon, 221 USPQ 1125, 1127 (Fed. Cir. 1984).**

**Here, there is no suggestion that Minder, either alone or in combination with Gundewar, Evans, or NY Times, teaches the limitations of the claimed invention. Consequently, there is absent the “suggestion” or “objective teaching” that would have to be made before there could be established the legally requisite “prima facie case of obviousness”.**

**In view of the foregoing, Applicants respectfully submit that the cited prior art references, either separately or in combination, do not fairly teach or suggest the features defined by independent claims 1, 12, and 16, and thus those claims are patentable. The dependent claims are similarly patentable over the cited prior art references, not only by virtue of their dependency from respective patentable independent claims, but also by virtue of the additional patentable features of the invention they define. Applicants believe all claims are properly supported in the specification and accompanying drawings, and are patentably distinct from the prior art of record and are in condition for allowance. Thus, Applicants respectfully request that the rejection of all appealed claims be overruled.**

**Respectfully submitted,**

**Nimrod Megiddo**

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**Appendix with Appealed Claims**

1       **1. A commerce management method for automatically managing agreements including**  
2       **one or more contingencies, said method comprising the steps of:**

3               **a) logging at least one condition for an agreement and identifying at least one**  
4               **potential response as indicating satisfaction of said at least one**  
5               **condition;**

6               **b) retrieving information related to responses to each condition from**  
7               **independent sources;**

8               **c) checking said retrieved information to determine whether said agreement is**  
9               **determinate; and**

10              **d) notifying contracting parties when said agreement is determined to be**  
11              **determinate.**

1       **4. A commerce management method as in claim 1, wherein the retrieving step (b)**  
2       **comprises automatically retrieving information from previously identified remotely**  
3       **connected locations.**

1       **9. A commerce management method as in claim 1, wherein the step (d) of notifying the**  
2       **parties, notifies parties that the contract has failed when a response to a condition**  
3       **indicates said condition cannot be satisfied.**

1 10. A commerce management method as in claim 1, wherein the step (d) of notifying  
2 the parties, notifies parties that the contract is determinate when identified satisfying  
3 responses have been received for each said condition.

1 12. An automated commerce management system comprising:

2 a plurality of remotely connected terminals, contracting parties entering

3 information about contract conditions in said terminals;

4 a storage maintaining a contingency agreement database, said contingency

5 agreement database including contracting party information and

6 condition information on a plurality of agreements, said condition

7 information including:

8 one or more potential responses satisfying each condition, and

9 one or more milestones for each said potential response; and

10 an automatic data retriever retrieving condition response information from

11 independent sources via one or more remotely connected computers.

1 13. A commerce management system as in claim 12, further comprising:

2 an automatic mailer notifying contracting parties when a corresponding

3 agreement is determinate.

1 15. A commerce management system as in claim 13 wherein said automatic mailer  
2 sends electronic mail (e-mail) to parties identified by an e-mail address.

1       **16. A computer program product for automated commerce management, said**  
2       **computer program product comprising a computer usable medium having computer**  
3       **readable program code thereon, said computer readable program code comprising:**  
4               **computer readable program code means for logging conditions for agreements**  
5               **and for each logged condition identifying at least one potential response**  
6               **as indicating satisfaction;**  
7               **computer readable program code means for retrieving information related to**  
8               **responses to each condition from independent sources;**  
9               **computer readable program code means for checking said retrieved information**  
10              **to determine whether said agreement is determinate; and**  
11              **computer readable program code means for notifying contracting parties when**  
12              **said agreements is determinate.**

1       **21. A commerce management method as in claim 4, wherein said retrieved**  
2       **information includes at least one of: consumer's price index (CPI), prime lending rate**  
3       **(Prime), a mortgage rate, a currency exchange rate, a bond interest rate, a raw**  
4       **material price, a weather forecast, auction results, election results, and ballot**  
5       **proposition results.**

1 22. A commerce management system as in claim 12, wherein said condition response  
2 information includes at least one of: consumer's price index (CPI), prime lending rate  
3 (Prime), a mortgage rate, a currency exchange rate, a bond interest rate, a raw  
4 material price, a weather forecast, auction results, election results, and ballot  
5 proposition results.

COMMISSIONER FOR PATENTS  
ALEXANDRIA, VA 22313



Docket No. ARC000009US1-IBM  
(PATENT)

AP/3629  
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SIR:

Transmitted herewith for filing in the Application of Nimrod Megiddo Serial No.: 09/533,325

Title: **SYSTEM, METHOD AND PROGRAM PRODUCT FOR AUTOMATICALLY MANAGING CONTRACTS**

are the following:

Change of Correspondence  
Request for Reconsideration of Final Rejection  
Amendment after Final Rejection  
Response/Amendment  
Response to Restriction Requirement  
Letter to Drawing Review Branch  
Certificate of Correction  
Other : *Recordation of Assignment Cover Sheet*

Information Disclosure Statement  
Declaration and Power of Attorney  
Assignment of the Invention (\$40.00)  
Notice to File Missing Parts (\$130.00)  
Petition for Extension of Time  
Issue Fee (\$1,290.00)  
Notice of Appeal (\$300.00)  
✓ Appeal Brief (\$320.00)

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✓ **NO ADDITIONAL FEE IS REQUIRED**

OTHER THAN A SMALL ENTITY	Claims Remaining After Amendment	Highest No. Previously Paid for	Extra	Rate	Additional Fee
SUBTOTAL FROM ABOVE					\$ 0.00
TOTAL CLAIMS			0	× 18 =	
INDEPENDENT CLAIMS			0	× 84 =	
MULTIPLE DEP. CLAIM PRESENTED				+280 =	
TOTAL					\$ 0.00

- ✓ Please charge my Deposit Account No. 09-0441 in the amount of \$320.00. A duplicate copy of this sheet is attached.
- ✓ The Commissioner is hereby authorized to charge payment for any additional filing fees required under 37 CFR 1.16 or any patent application processing fees under 37 CFR 1.17 in association with this communication or credit any overpayment to Deposit Account No. 09-0441. A duplicate copy of this sheet is attached.

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